

Message Text

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ORIGIN EB-07

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TAGS: ENRG

SUBJECT: GUIDANCE FOR MAY 18 DISCUSSION OF NUCLEAR ISSUES
IN SLT.

REF: OECD PARIS 14195

PASS RAICHT

1. PENDING COMPLETION OF CONSULTATIONS WITH OTHER SUPPLI-
ERS AND RECIPIENTS, WE DO NOT WISH AT THIS JUNCTURE TO BE
DRAWN INTO DETAILED DISCUSSIONS ON THE ISSUES RAISED IN
THE SECRETARIAT'S NOTE. FOR THE TIME BEING, USDEL SHOULD
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CONFINE ITS COMMENTS TO THE MATERIAL IN THE NYE AND FRI
SALZBURG SPEECHES AND THE INFCEP "POSSIBLE APPROACH" PAPER.
AT THE SAME TIME, YOU MAY ASSURE OTHER PARTICIPANTS THAT A
FULL EXPOSITION OF U.S. VIEWS WILL BE FORTHCOMING AS OUR
FOLLOW-ON STUDIES ON ELEMENTS OF OUR NEW POLICY PROGRESS.
FOR THE SAKE OF COMPLETENESS, THE SECRETARIAT NOTE SHOULD
BE MADE MORE COMPREHENSIVE TO REFLECT ALL THE RELEVANT

ISSUES IN THE NUCLEAR FUEL CYCLE. IN PARTICULAR SECTIONS 2B AND 5 SEEM TO BE INDICTMENTS OF THE US POLICY ON RE-PROCESSING RATHER THAN A LISTING OF ISSUES INHERENT IN THE NUCLEAR FUEL CYCLE. YOU SHOULD REMAIN NON-COMMITTAL ON THE EVENTUAL ROLE OF IEA IN THE INFCEP, EXCEPT TO NOTE THAT

WE ANTICIPATE THE INVOLVEMENT OF THE AGENCY AND/OR ITS SUBGROUPS IN CERTAIN WORK AREAS. IN THIS CONNECTION, YOU MAY STATE THAT WE HAVE IN PREPARATION A MORE DETAILED "APPROACH" PAPER WHICH WE WILL TRANSMIT TO THE IEA SHORTLY.

2. MANY OF THE ISSUES RAISED IN THE SECRETARIAT NOTE WILL BE ADDRESSED IN THE VARIOUS MECHANISMS BEING DEVELOPED IN SUPPORT OF THE US NON-PROLIFERATION POLICY. DRAWING ON THE NYE AND FRI SPEECHES, PLUS THE INFCEP NON-PAPER USDEL CAN OUTLINE THE PROGRAMS IN WHICH MOST OF THE FUEL CYCLE ISSUES WILL BE UNDERTAKEN. THE ORGANIZATIONAL CONTEXT FOR THESE PROGRAMS HAS NOT BEEN FINALLY DETERMINED, THUS FOR THE TIME BEING WE SHOULD REMAIN NON-COMMITTAL ON THE DEGREE OF EVENTUAL IEA INVOLVEMENT. NONETHELESS, THE AIRING OF THESE ISSUES IN THE SLT WILL BE A USEFUL INPUT TO THE DESIGN OF APPROPRIATE MECHANISMS, AND CAN HELP SET STAGE FOR GB DISCUSSION OF NUCLEAR ENERGY IN LATE JUNE.

3. THE ABOVE MENTIONED SOURCES MAY ALSO BE USED IN ADDRESSING SUCH ISSUES AS NUCLEAR FUEL ASSURANCES AND THE SUFFICIENCY OF THE NATURAL URANIUM RESOURCE BASE. LIMITED OFFICIAL USE

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THE NATURAL URANIUM RESOURCE PROGRAM UNDERTAKEN BY THE NUCLEAR SUBGROUP OF WHICH PHASE I HAS BEEN SPUN OFF TO THE NEA CAN SERVE AS A POINT OF DEPARTURE FOR A GROUP DISCUSSION ON HOW THE PROGRAM COULD BE ACCELERATED AND HOW TO MOVE ON TO PHASE II. OBVIOUS ISSUES TO BE DEALT WITH INCLUDE THE QUESTION OF WHAT, IF ANY, IMPACT THE LIMITED MEMBERSHIP OF THE IEA HAS ON THE NATURE AND SCOPE OF IEA ACTIVITY (ABSENCE OF FRANCE, AUSTRALIA); HOW BEST TO INVOLVE LDCS IN PHASE II OF THE URANIUM RESOURCE EVALUATION PROGRAM, THE IDENTIFICATION OF A FORUM WITH SUFFICIENT DYNAMISM AND POLITICAL SUBSTANCE TO SEE THE TASK THROUGH IN A REASONABLE TIMEFRAME, AND POSSIBLE RELATION TO INFCEP.

4. ITEM 2B - REPROCESSING QUESTIONS POSED BY SECRETARIAT ARE MORE A CHALLENGE TO THE US POLICY THAN AN ATTEMPT TO RAISE RELEVANT ISSUES. DISCUSSIONS SHOULD RAISE SUCH ISSUES AS THE ECONOMICS OF REPROCESSING INCLUDING COSTING OF EXTERNALITIES, THE IMPLICATIONS OF DEFERRED REPROCESS-

ING FOR THE FRONT END OF THE FUEL CYCLE, THE ALTERNATIVES TO CONVENTIONAL REPROCESSING, ETC. CONCERN FOR THESE ISSUES LED THE U.S. TO DEFER REPROCESSING AND TO USE THE DEFERRAL TO REEXAMINE WHAT WAS HERETOFORE ASSUMED COURSE OF ACTION. THE INFCEP HAS BEEN PROPOSED TO EXAMINE THE ABOVE AND RELATED ISSUES. WHILE AS NOTED IN PARA I ITS

ORGANIZATIONAL CONTEXT IS UNDETERMINED, YOU SHOULD NOT FORECLOSE THE POSSIBILITY THAT THE IEA MIGHT TAKE AN OBSERVER STATUS IN THE INFCEP WITH THE EVENTUAL POSSIBILITY OF MORE DIRECT PARTICIPATION IN THOSE ACTIVITIES FOR WHICH THE IEA IS PARTICULARLY SUITED. THE IEA IS THE PRINCIPAL INTERNATIONAL ORGANIZATION CAPABLE OF BRINGING THE OVERALL ENERGY PICTURE TO THE NUCLEAR FUEL CYCLE ANALYSIS AND THE AGENCY SHOULD CONTRIBUTE THIS ABILITY IN CONSIDERING THE BROADER ECONOMIC CONTEXT IN WHICH ENERGY POLICY MUST BE VIEWED.
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5. FYI - CURRENT U.S. POLICY ON RETRANSFER IS AS FOLLOWS: THE US MAY, ON A CASE-BY-CASE BASIS PERMIT COUNTRIES TO TRANSFER US ORIGIN SPENT FUEL RODS TO A THIRD COUNTRY FOR REPROCESSING. THE US MUST DETERMINE THAT THE COUNTRY REQUESTING SUCH TRANSFER HAS A CLEAR NEED TO DO SO. "CLEAR NEED" IS, FOR EXAMPLE, A PHYSICAL LIMITATION ON SPENT FUEL STORAGE CAPACITY. THERE IS NO SPECIFIC GUIDANCE ON THE EFFORTS A COUNTRY MUST UNDERTAKE TO EXPAND ITS SPENT STORAGE CAPACITY, BUT THE UNDERLYING PRINCIPLE IS THAT PERMISSION FOR TRANSFER AND REPROCESSING IS ONLY GRANTED AS A LAST RESORT. END FYI.

6. ISSUE FIVE ON RELATIONS WITH LDCS WOULD SEEM TO FOCUS ON THE IMPLICATIONS OF THE US REPROCESSING POLICY FOR LDCS. A MORE USEFUL QUESTION WOULD BE - WHAT CAN THE IEA DO TO PROMOTE A RATIONAL APPROACH TO NUCLEAR ENERGY BY LDC'S? WHAT CAN THE IEA DO TO HELP LDC'S EXAMINE THEIR ENERGY ALTERNATIVES AND TO CHOOSE THE ONE BEST SUITED TO EACH COUNTRIES' SPECIFIC NEEDS? IEA EFFORTS TO CONSIDER LDC NEEDS SUGGEST THAT SUCH A PROPOSAL BY THE IEA WOULD BE A LOGICAL ADDITION TO EXPANDING ENERGY COOPERATION.

7. AS AN ADDED ISSUE THE SLT MIGHT CONSIDER PUBLIC CONCERN OVER NUCLEAR POWER WHICH HAS LED MANY COUNTRIES TO TAKE ANY REDUCED DEMAND FOR ELECTRICITY OUT OF THEIR NUCLEAR PROGRAMS. CURRENT PROJECTIONS OF OECD NUCLEAR CAPACITY IN 1985 SHOW NO CAUSE FOR ALARM IN ENRICHMENT CAPACITY, NATURAL URANIUM FEEDSTOCK, CAPITAL AVAILABILITY (GENERALLY) OR EQUIPMENT SUPPLIERS CAPACITY BEFORE 1985-1990. THE LARGEST SINGLE IMPEDIMENT CONTINUES TO

BE PUBLIC ACCEPTANCE. IN THE 17 MARCH NUCLEAR SUBGROUP
MEETING THERE WAS GENERAL CONCENSUS THAT THE IEA SHOULD
UNDERTAKE A PUBLIC ACCEPTANCE STUDY SIMILAR TO THAT
RECOMMENDED BY THE DENVER RADIOACTIVE WASTE MANAGEMENT
REPORT. AS YET NOTHING HAS COME OF THAT RECOMMENDATION. CHRISTOPHER
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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